

VZCZCXRO1869
PP RUEHROV
DE RUEHKH #0520 0921423
ZNR UUUUU ZZH
P 021423Z APR 07
FM AMEMBASSY KHARTOUM
TO RUEHC/SECSTATE WASHDC PRIORITY 6696
INFO RUCNIAD/IGAD COLLECTIVE PRIORITY

UNCLAS KHARTOUM 000520

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SUBJECT: CPA: PROGRESS MADE IN SHARING PETROLEUM DATA

¶1. Summary. Under the CPA, the Government of National Unity is required to share information on oil production, revenues and contracts with the Government of Southern Sudan (GOSS). In the past, the GOSS has repeatedly alleged that this information is not being made available. Now, it appears that some northern officials are making efforts to share information more freely, with the Director General of the Petroleum Unit of the GOSS having access to data. Problems remain with GOSS lack of technical capacity in understanding the intricacies of the material being made available, as well as problems in dissemination of the information within the GOSS. The upcoming visits of a USG-funded oil advisor offers the opportunity to further improve this aspect of CPA implementation. End Summary.

¶2. In a series of meetings with Embassy officers, officials from the GNU Ministry of Energy and Mining (MEM) and the GOSS Ministry of Finance and Economic Planning confirmed progress in sharing of information on the petroleum sector in Sudan. Hamad El Neel, Deputy Secretary General at MEM, met with Econoff on March 24 and reviewed recent developments. The meeting was a follow up to El Neel's recent presentation to the Wealth Sharing working group of the Assessment and Evaluation Commission (AEC). El Neel elaborated on his efforts to improve liaison with the GOSS and stressed that he has engaged the SPLM members of the Joint Technical Committee for Monitoring Net Oil Revenues (the Joint Committee) in training and information sessions at MEM. He also arranged for the Norwegian oil advisor to provide training to the group. He noted that he has given instructions to the MEM staff that all documents of the MEM, including production sharing agreements, be made available to Yousif Ramadan, Director General of the Petroleum Unit of the GOSS Ministry of Finance and Economic Planning. Ramadan is one of five SPLM representatives on the Joint Committee.

¶3. On March 27, Emboffs met with Yousif Ramadan to verify that he does indeed have access to information at MEM. Ramadan confirmed that he has an excellent working relationship with El Neel and that he now has no problem in getting information from MEM. When pressed on how he shares the information available with the GOSS offices in Juba, Ramadan said that he has been sending figures on oil revenues to the Minister of Finance, Arthur Akien Chol and his replacement. (Comment. Chol was dismissed from his job earlier this month.) Ramadan said he seldom provides information to political leaders in the South. Ramadan, an accountant, freely admits that he does not have the technical knowledge to understand all the information he has access to.

Interestingly, he expressed confidence in the revenue sharing arrangements now in place, noting that oil production in Sudan is organized by several consortia, and the members of each consortium, including the Asian oil companies, demand figures for production sharing and revenue calculations.

¶4. On April 1, Econoff attended a lunch, hosted by MEM, bringing together the members of the Joint Committee. The lunch followed the regular monthly meeting of the Joint Committee. Also attending the lunch were: El Sheik El Mak, Under Secretary of the Ministry of National Finance and Economy (GNU); Aggrey Tisa Sabuni, Acting Under Secretary, Ministry of Finance and Economic Planning (GOSS); and, Archangelo Okwang, Ministry of Petroleum (GOSS). Members of the Joint Committee confirmed that they have met regularly since mid-2005, and now have convened more than twenty times.

(Comment: The fact the Joint Committee has been meeting for some time and the information on oil production is not circulating in offices in Juba underlines the problem of communication within the GOSS.)

¶5. The May visit of an U.S. oil advisor provides an opportunity to build on the improved information sharing now emerging between the GNU and the GOSS. Embassy recommends a meeting of the advisor with members of the Joint Committee, including Ramadan and El Neel to assess the needs of the GOSS for capacity building in order to benefit from the information available to the GOSS.

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